



## **FEDERAL RESERVE SYSTEM**

### **Agency Information Collection Activities: Announcement of Board Approval under Delegated Authority and Submission to OMB**

**AGENCY:** Board of Governors of the Federal Reserve System.

**SUMMARY:** The Board of Governors of the Federal Reserve System (Board) is adopting a proposal to extend for three years, without revision, the Recordkeeping and Disclosure Requirements Associated with Regulation R.

#### **FOR FURTHER INFORMATION CONTACT:**

Federal Reserve Board Clearance Officer – Nuha Elmaghrabi – Office of the Chief Data Officer, Board of Governors of the Federal Reserve System, Washington, DC 20551, (202) 452-3829.

Office of Management and Budget (OMB) Desk Officer – Shagufta Ahmed – Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 10235, 725 17<sup>th</sup> Street, NW, Washington, DC 20503, or by fax to (202) 395-6974.

A copy of the Paperwork Reduction Act (PRA) OMB submission, including the reporting form and instructions, supporting statement, and other documentation will be placed into OMB's public docket files. These documents also are available on the Federal Reserve Board's public website at <https://www.federalreserve.gov/apps/reportforms/review.aspx> or may be requested from the agency clearance officer, whose name appears above.

**SUPPLEMENTARY INFORMATION:** On June 15, 1984, OMB delegated to the Board authority under the PRA to approve and assign OMB control numbers to collections of information conducted or sponsored by the Board. Board-approved collections of information are incorporated into the official OMB inventory of currently approved collections of information.

Copies of the PRA Submission, supporting statements, and approved collection of information instrument(s) are placed into OMB's public docket files.

**Final Approval under OMB Delegated Authority of the Extension for Three Years,  
Without Revision, of the Following Information Collection:**

*Report title:* Recordkeeping and Disclosure Requirements Associated with Regulation R.

*Agency form number:* FR R.

*OMB control number:* 7100-0316.

*Frequency:* As needed.

*Respondents:* “Banks,” as defined in the Securities Exchange Act of 1934 (Exchange Act), that qualify for the exemptions from the Exchange Act definition of “broker.”

*Estimated number of respondents:* Section 701, disclosures to customers: 1,500, disclosures to brokers: 1,500; section 723, recordkeeping: 75; section 741, disclosures to customers: 750.

*Estimated average hours per response:* Section 701, disclosures to customers: 0.08333 hours, disclosures to brokers: 0.25 hours; section 723, recordkeeping: 0.25 hours; section 741, disclosures to customers: 0.08333 hours.

*Estimated annual burden hours:* Section 701, disclosures to customers: 12,500 hours, disclosures to brokers: 375 hours; section 723, recordkeeping: 188 hours; section 741, disclosures to customers: 62,500 hours.

*General description of report:* The Board’s Regulation R, 12 CFR part 218, implements certain exceptions for banks from the definition of “broker” under section 3(a)(4) of the Exchange Act. The Exchange Act defines “banks” to include banking institutions organized in the United States, including members of the Federal Reserve System, federal savings associations, and other commercial banks, savings associations, and non-depository trust companies that are organized

under the laws of a state or the United States and subject to supervision and examination by state or federal authorities having supervision over banks and savings associations. Sections 701, 723, and 741 of Regulation R contain certain customer and counterparty disclosure requirements and certain transactional recordkeeping provisions for banks that utilize these exceptions.

*Legal authorization and confidentiality:* The FR R is authorized pursuant to sections 3(a)(4)(F) and 3(b) of the Exchange Act,<sup>1</sup> which, among other things, require the Board and the Securities and Exchange Commission (SEC) to jointly adopt rules to implement the bank exceptions to the definition of “broker” under the Exchange Act.<sup>2</sup> Banks seeking the exception from the definition of “broker” under the Exchange Act must comply with the requirements of FR R. The obligation, therefore, is required to obtain a benefit.

Because these records and disclosures would be maintained at each banking organization, the Freedom of Information Act (“FOIA”) would only be implicated if the Board obtained such records as part of the examination or supervision of a banking organization. In the event the records are obtained by the Board as part of an examination or supervision of a financial institution, this information may be considered confidential pursuant to exemption 8 of the FOIA, which protects information contained in “examination, operating, or condition reports” obtained in the bank supervisory process.<sup>3</sup> In addition, the information may also be kept confidential under exemption 4 of the FOIA, which protects “commercial or financial information obtained from a person [that is] privileged or confidential.”<sup>4</sup>

*Current actions:* On December 16, 2019, the Board published a notice in the *Federal Register* (84 FR 68454) requesting public comment for 60 days on the extension, without revision, of the

---

<sup>1</sup> 15 U.S.C. 78c(a)(4)(F) and 78c(b).

<sup>2</sup> Additionally, the Board has the authority to require reports from state member banks (12 U.S.C. 248(a) and 324).

<sup>3</sup> 5 U.S.C. 552(b)(8).

<sup>4</sup> 5 U.S.C. 552(b)(4).

FR R. The comment period for this notice expired on February 14, 2020. No comments were received.

Board of Governors of the Federal Reserve System, August 17, 2020.

**Michele Taylor Fennell,**

*Assistant Secretary of the Board.*

Billing Code 6210-01-P

[FR Doc. 2020-18369 Filed: 8/24/2020 8:45 am; Publication Date: 8/25/2020]